Office-Supreme Court, U.S.
FILED
MAR 26 1981
ALEXANDER L. STEVAS,
CLERK

80-1630

No.

In the
Supreme Court of the United States
OCTOBER TERM, 1980

CELOTEX CORPORATION,
Petitioner,

vs.

UNITED STATES GYPSUM COMPANY,
Respondent,

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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PETITIONER'S PARENT CORPORATION:

Jim Walter Corp.

PETITIONER'S SUBSIDIARY CORPORATION
(except wholly owned subsidiaries):

Celotex-Marley Inc.

Celotex Inoue Corp.

QUESTIONS PRESENTED

1. Was petitioner deprived of due process of law and its constitutional right to a jury trial when the court below reached a conclusion directly contrary to the jury's verdict of patent validity by the acknowledged exclusion on review* of primary prior art evidence and material fact evidence on secondary considerations? More specifically, can a 'not obvious' verdict of a properly instructed jury be set aside by labeling, as secondary, and excluding on review contrary primary prior art evidence admitted in evidence and considered by the jury?

2. Is prior art in the form of real products, which objectively evidence both the state of that art and actual skill levels in that art, properly excludable on review merely because the products are also relevant to secondary considerations?

3. Must secondary evidence be considered only in close cases, and, if so, what role does the jury play in the determination of a close case?

4. Is obviousness a fact question determinable by a jury or a question of law determinable by the court?

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* "Exclusion on review", in the context of this petition, refers to admitted evidence considered by the jury but excluded from consideration by both of the courts below.

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1980

No.

CELOTEX CORPORATION,

Petitioner,

vs.

UNITED STATES GYPSUM COMPANY,

Respondent,

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

The Celotex Corporation hereby petitions that a writ of certiorari be issued to review the judgment and opinion of the United States Court of Appeals for the Seventh Circuit entered January 15, 1981.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Seventh Circuit is printed in the Appendix at page A1. The oral opinion of the United States District Court for the Northern District of Illinois, Eastern Division, is reported at 204 USPQ 745, and a transcript

thereof is printed in the Appendix at page A8. The amended judgment and order entered by District Court on December 27, 1979 is printed in the Appendix at page A19. The District Court did not render other findings or conclusions.

JURISDICTION

The judgment of the Court of Appeals for the Seventh Circuit was entered on January 15, 1981. Petitioner's timely filed petition for rehearing was denied February 17, 1981. A copy of the order denying the petition for rehearing, with suggestion for hearing en banc, is printed in the Appendix at page A22. The jurisdiction of the Court is invoked under 28 U.S.C. Sec. 1254(1).

CONSTITUTIONAL PROVISIONS AND STATUTE INVOLVED

I. United States Constitution, Amendment 5:

> No person shall be . . . deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

II. United States Constitution, Amendment 7:

> In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved and no fact tried by a jury, shall be otherwise reexamined in any court of the United States, than according to the rules of the common law.

III. United States Code, Title 35, Sec. 103:

> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the

prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

STATEMENT OF THE CASE

For many years prior to 1968, a need existed in the mobile home industry for a monolithic ceiling assembly providing speed of assembly, structural integrity, and concealment of the attaching devices which would serve as an aesthetically attractive replacement for the then conventional, though unsightly, rosette and batten ceilings. The objective was to provide a ceiling for a mobile home which resembled that of an ordinary residence.

The state of the art rosette and batten ceiling included panels four feet in width and ten or more feet in length. When assembled, these panels were butted along their longest edges and stapled to supporting trusses. A batten or cover strip was then nailed over the gap between the abutting panels to conceal both the joint and the staples. Because conventional mobile home ceiling construction requires trusses every sixteen inches and the panels being applied were used as structural elements of ceilings, the central area of each four foot panel spanned two trusses and was attached to them by screws. Small plastic washers or rosettes were secured between the screw head and the face of the board to somewhat disguise the screws and to distribute the load carried by the screws. This construction resulted in two parallel rows of rosettes ten or more feet in length and sixteen

inches apart in the field or mid-portion of each panel and ten foot battens at each panel abuttment.

Petitioner's competitors, such as Armstrong Cork Company and respondent, recognized the need to replace the rosette and batten ceiling assembly. The evaluation of replacement efforts is evidenced by Armstrong's introduction of its Corenti ceiling system in late 1967 and shortly thereafter with a modified Insta-Lok ceiling system. Both involved special edge groove designs and mid-panel score lines to guide staple placement. At about the same time, respondent introduced its ungrooved Crevasse ceiling system. Concurrently, respondent had two or three different projects under development for other concealed attachment ceiling systems for mobile homes. While respondent's projects were aimed at elimination of the rosette and batten ceiling, none resulted in a commercial product.

James Bobzin, co-inventor of the patent in suit and graduate architect with over 20 years of experience, recognized that the elimination of rosettes and battens and fulfillment of the industry requirements for a simulated residential ceiling with concealed fasteners in large panels had not been achieved by early 1968. Prior to 1968, Bobzin and Charles Sawyer, his co-inventor and a highly skilled industrial designer, began work on the problem which was solved with the development of edge grooves and special deep mid-panel grooves for fiberboard panels which were adapted to high speed assembly utilizing stapling techniques. Concealment of the edge and mid-panel or field grooves staples was achieved with cover strips speedily insertable into and retained by the groove boundary structure. Four by ten foot or longer panels

specially grooved at mid-panel and on the edges along the length of each panel were used as structural ceiling elements. When manufacturing feasibility of their system was assured by June 1968, Bobzin and Sawyer were satisfied that they had provided a generally monolithic ceiling absent visible fasteners, and resembling the ceiling of a typical residence.

Bobzin and Sawyer jointly filed their application for patent on November 19, 1968, and United States Patent 3,545,154 issued from the application on December 8, 1970. The Canadian Patent Office, following examination, issued Canadian patent No. 956,774 on October 29, 1974 on the counterpart of the United States application.

Petitioner introduced its patented system to the market on October 4, 1968. Armstrong Cork Company, Kaiser-Gypsum Company, National Gypsum Company and Simpson Timber Company followed petitioner to the marketplace with imitations of its new ceiling system. Armstrong's imitation, its Phase V system with cover strips and special edge and mid-panel grooves, replaced its two earlier alternatives, the Insta-Lok and Corenti ceiling systems. To meet this competition, respondent initiated accelerated development efforts in 1969 to bring an imitation to the marketplace after its efforts to adapt its earlier Crevasse ceiling product failed. This project was not completed for over two years in spite of the fact that petitioner's product and competitor imitations had reached the marketplace several years earlier. Respondent then had the temerity to attempt to patent its imitation of petitioner's patented product.

On June 21, 1971, petitioner granted the first non-exclusive royalty bearing license under the Bobzin patent to Simpson Timber Company of Seattle, Washington. Subsequently, non-exclusive licenses were granted to Armstrong Cork Company, National Gypsum Company, Kaiser Gypsum Company and Owens-Corning Fiberglass Company. The value of these licenses at the time of trial was $1,335,000. The total sales by petitioner of its patented products between 1970 and 1977 were $42.5 million and for respondent's infringing product $17 million between 1972 and 1977.

At the trial on the issue of obviousness, the jury heard the testimony of eleven witnesses, including respondent's expert, observed a filmed demonstration of an actual mobile home ceiling installation, demonstrations of physical exhibits received in evidence, including full scale representations of prior art products and systems. Most of the jurors were skilled tradesmen, who, after seven trial days on the obviousness issue returned a verdict that the patented subject matter was not obvious. And, later, returned verdicts that the claims were infringed, that the infringement by respondent was willful, and assessed damages against respondent of $1,117,938.00.

In an opinion delivered orally by the District Court, resopndent's motion for judgment notwithstanding the verdict was granted but only with respect to the verdict that the patent was not obvious (App. A8). The District Court applied neither the statutory nor the *Graham* v. *John Deere & Co.*, 383 US 1 (1966), standards in setting aside the jury verdict. While the record below establishes that the Court excluded prior art evidence from its determination, (App. A13), it acknowledged a prior art

deficency as to the special mid-panel or field groove structures of the patent claims (App. A11) and substituted only hindsight "common sense" as its basis for rejecting the jury verdict (App. A16).

The Court of Appeals in affirming the District Court did not adopt that Court's "common sense" conclusion but relied instead upon a misapplication of the patent file history (a file history never once referred to by the trial court) and two patents cited initially by the patent examiner and specifically withdrawn by him when he allowed the patent claims. In reaching its conclusion, the Court of Appeals disregarded the evidence generated during seven days of trial including that establishing the continuing absence of special field grooves and, consistent with the conduct of the District Court, openly excluded vital prior art evidence from its deliberations (App. A6).

REASONS FOR GRANTING THE WRIT

1. The Court Below by Excluding Evidence on Review has Denied Petitioner Due Process of Law and Its Constitutional Right to a Jury Trial.

The Court of Appeals failed to draw any critical distinction between evidence developed in relation to the "basic factual inquiries", i.e., prior art products, literature and patents within the scope and content of the relevant art, and the "secondary considerations" of *Graham* v. *John Deere & Co., supra, i.e.,* long felt want, failed efforts of competitors, imitation by competitors, substantial licenses by competitors, patenting by respondent and enormous commercial success. As a result of this failure, the Court of Appeals has mistakenly expanded the exclusionary boundaries of secondary evidence to clearly encompass basic prior art evidence.

Since *Airtex Corp.* v. *Shelly Radiant Ceiling Co.,* 536 F.2d 145 (7th Cir. 1976), the Seventh Circuit has refused to review evidence of secondary considerations except in close cases. While the Seventh Circuit pays lip service to close case exceptions to its second-rate evidence exclusion rule, the court below cannot point to a single instance where the exception has been found to be applicable. *Republic Industries, Inc.* v. *Schlage Lock Co.,* 592 F.2d 963 (7th Cir. 1979); *Centsable Products, Inc.* v. *Lemelson,* 591 F.2d 400, (7th Cir. 1979), *cert. denied* 444 U.S. 840 (1979); *Lee Blacksmith, Inc.* v. *Lindsay Brothers, Inc.,* 605 F.2d 341, (7th Cir. 1979). In fact, nothing better demonstrates the emptiness of the close case exception than *Dual Mfg. Engineering, Inc.* v. *Burris,* 619 F.2d 660 (7th

Cir. 1980) *cert. denied* 101 S.Ct. 208 (1980) where a jury, a district court judge and a court of appeals panel held a patent to be unobvious only to be reversed by a divided en banc court which held, at page 666, that "secondary considerations are of no avail".

Without offering a single clue as to how, when or even if a jury is to deal with the close case question, the court below has made the arrogant claim of a fancied judicial expertise on obviousness "well above that possessed by a lay jury", *Dual Mfg. Engineering, Inc.* v. *Burris, supra* at page 663. According to the Seventh Circuit, juries are fooled in cases involving uncomplicated technology like that in the proceedings below. Similarly, the Court believes they are fooled by the more complex technology involved in cases like *Dual, supra.* When, then, in the Seventh Circuit will juries not be fooled in patent cases?

The application of judicial leverage to discourage exercise of the right to trial by jury in patent litigation, however, has not ended with the exclusion of evidence on review and denigration of lay jurors. In the *Dual* case, *supra* at page 667, the Seventh Circuit has reiterated its position that litigants "have wisely avoided jury trials in patent litigation." It has also abolished the need for evidence on the level of skill in the art mandated by *Graham* and 35 U.S.C. 103 in this case and others, *e.g., Lee Blacksmith, Inc.* v. *Lindsay Brothers, Inc., supra.* Incredibly, evidence of skill in the art is dispensed with where the invention would be readily understood by that same layman who is accused of being incapable of correctly making obviousness fact determinations.

The Judicial philosophy pervading the Seventh Circuit on the obviousness question in patent litigation, fairly derived from this decision and others on this issue, can be boiled down to the following propositions:

1. Patent litigants should wisely avoid juries because of the inherent intellectual inferiority of lay jurors in dealing with the obviousness question;
2. The scope and content of the prior art must be limited only to that evidence supporting the view of the court on obviousness, contrary prior art is to be excluded;
3. Objective fact evidence on secondary considerations, expanded to encompass basic prior art evidence, is never considered on the issue of obviousness; and
4. Evidence on the level of skill in the art prescribed by 35 U.S.C. 103 is unnecessary.

The vagaries of the Seventh Circuit and the imperative need for direction from this Court are best stated by Judge Pell of the court below in his dissenting opinion in *Lee Blacksmith, Inc.* v. *Lindsay Brothers, Inc., supra* at page 346:

> The majority opinion demonstrates that a federal judge with long experience in the patent law field had no particular difficulty in finding that the Foster patented invention was obvious in view of prior art. The record here, on the other hand, demonstrates that ease of perception was not shared by some ten of the plaintiff's competitors who imitated and were inspired by the plaintiff's patented harrow. I fail to see why these competitors who were in the same business could not be characterized as being persons of ordinary skill in the relevant art. I regard the fact of imitation as developed in this case as being a strong indicia of non-obviousness sufficient, and when coupled with the presumption of validity, sufficient to require affirmance of the judgment of the district court. Accordingly, I respectfully dissent.

> In the majority opinion the matter of imitations is swept under the rug along with commercial success and unexpected and beneficial results. Aspects such as these are characterized in numerous judicial opinions as "secondary considerations." The majority opinion is breaking no new ground in adopting this characterization. It does appear to me that in relegating some of these aspects, which perhaps are secondary in time at least, the courts have minimized their probative value reflecting upon whether there is obviousness. I must concede that some of the trappings which have been judicially developed on the "secondary considerations" syndrome are probably so firmly entrenched that a realistic reevaluation can now only be forthcoming from the Supreme Court.

Without benefit of the realistic reevaluation by this Court called for in Judge Pell's dissenting plea, he went on to write the majority en banc opinion in *Dual Mfg. Engineering, Inc.* v. *Burris, supra.*

The right to trial by jury in civil cases is one of the fundamental rights guaranteed by the Bill of Rights of the Constitution. Regardless of disagreement by individual jurists with the wisdom of jury trials, they may not be denied to civil litigants by subtle judicial design. The Court should take this case because, unless abated, the judicial leverage being applied in the Seventh Circuit by the utterances of the court on the wisdom of jury trials in patent cases and the judicial philosophy reflected by its decisions in cases such as this one, is calculated to have a chilling effect on the litigant's exercise of their constitutional right to a jury trial.

2. By Expanding the Boundaries of Excluded Secondary Considerations to Encompass Prior Art the Court of Appeals Has Changed the Law on Obviousness.

Although the courts below were poles apart on their reasons for invalidating the Bobzin patent, each reached its conclusion by rejecting the very essence of the primary and secondary fact evidence presented to the jury at the trial on the obviousness issue. What both courts have done is to exclude from their consideration material prior art evidence in support of unobviousness by labeling that as merely evidence of a secondary consideration (App. A6 & A13). In so doing, they have changed the law of *Graham* v. *John Deere & Co., supra.*

The dangers engendered by the adoption of special exclusionary evidence rules in patent cases are demonstrated dramatically by the court below which ignored the trial record in affirming a judgment notwithstanding the jury verdict (App. A6):

> The batten and rosette assembly was merely evidence of a long felt but unsolved need of the industry. As such, it is a secondary consideration to be weighed only in a close case where consideration of the *John Deere* criteria does not resolve the question of obviousness. *Lee Blacksmith, Inc.* v. *Lindsay Brothers, Inc.*, 605 F.2d 341, 345 (7th Cir. 1979); *Republic Industries, Inc.* v. *Schlage Lock Co.*, 592 F.2d 963, 975-76. Evidence of other secondary considerations such as commercial success and economic benefit was also allowed. It is apparent that the jury gave this evidence undue weight in its consideration. Stripped of evidence tending to show these secondary elements, little remains for the jury to base its conclusion of nonobviousness,

First adopting the secondary consideration label as its basis for excluding relevant fact evidence on review, the court below mistakenly placed prior art fact evidence, albeit product prior art, in the category of evidence not to be considered. Second, following the improper exclusion of basic prior art evidence, the court has made the unsupported assumption that the properly instructed jury gave undue weight to the excluded evidence.

The batten and rosette assembly is not only persuasive evidence of a long felt and unsolved need of the industry as acknowledged by the court below; it, like respondent's Crevasse product and the competitive Corenti and Insta-Lok systems, is product prior art offered by petitioner as proof that the patented subject matter is not obvious. This product prior art is powerful basic fact evidence of a level of skill in the art which wholly failed to provide panel field grooves accommodating speedy staple application and concealment in the real world. This product prior art constitutes relevant basic prior art fact evidence which must be analyzed within the context of the scope and content of the prior art as mandated by *Graham* v. *John Deere & Co., supra,* and 35 U.S.C. 103.

The record below is replete with prior art, both that of the marketplace and the patent archives, presented by petitioner to suport validity. The fact that relevant, supporting prior art can provide the best objective evidence of unobviousness was recognized in *U.S. Philips Corp.* v. *National Micronetics, Inc.,* 550 F.2d 716, 722 (2nd Cir. 1977) *cert. denied* 434 U.S. 859 (1977):

> We can conceive of no better way to determine whether an invention would have been obvious to persons of ordinary skill in the art at the time than

to see what such persons actually did or failed to do when they were confronted with the problems in the course of their work.

3. The Seventh Circuit and Court of Customs and Patent Appeals Are in Direct Conflict on the Exclusion of Secondary Evidence.

The Seventh Circuit's second-rate evidence exclusion rule is in sharp conflict with the position of the Court of Customs and Patent Appeals. This latter court has met the exclusion rule head on and has pointedly rejected it, correctly holding that all evidence relevant to the obviousness issue in patent cases must be considered and, particularly, ". . . secondary considerations may serve to 'guard against slipping into hindsight' and 'to resist the temptation to read into the prior art the teachings of the invention in issue.'" *Stevenson* v. *International Trade Commission*, 612 F.2d 546 (CCPA 1979). The position of the Court of Customs and Patent Appeals is also in direct conflict with decisions of other circuits. *Digitronics Corp.* v. *New York Racing Association, Inc.*, 553 F.2d 740 (2nd Cir. 1977); *Cathodic Protection Service* v. *American Smelting Refining*, 594 F.2d 499 (5th Cir. 1979) *cert. denied*, 444 U.S. 965 (1979); *SSP Agricultural Equipment, Inc.* v. *Orchard-Rite Ltd.*, 592 F.2d 1096 (9th Cir. 1979).

Graham v. *John Deere & Co., supra*, provides absolutely no basis for excluding secondary considerations at trial, on review at any time and under any circumstances. The close case aberration of the Second, Fifth, Seventh and Ninth Circuits simply has no foundation in 35 USC 103 or the decisions of this Court. In *Graham* this Court concluded, after considering all of the evidence, that the

secondary factors did not tip the scales of patentability under the circumstances of that case. No decision of this Court holds that secondary evidence need not be considered.

4. The Circuits Are In Conflict on Obviousness as a Fact or Law Question.

The court below holds that obviousness is a question of law to be determined by the court (App. A3). There is wide judicial divergence, however, on this point and a clear conflict of the circuits as is evidenced by at least four circuits which have recognized obviousness as a question of fact. *Norfin, Inc.* v. *International Business Machines Corp.*, 625 F.2d 357 (10th Cir. 1980); *Rosen* v. *Lanson-Hemphill, Inc.*, 549 F.2d 205 (1st Cir. 1976); *Control Components, Inc.* v. *Valtek, Inc.*, 609 F.2d 763 (5th Cir. 1979); *Tights, Inc.* v. *Acme-McCrary Corp.*, 541 F.2d 1047 (4th Cir. 1976) *cert. denied* 429 U.S. 980 (1976).

Labeling obviousness as a law question is merely another device of the court below to circumvent a litigant's right to jury trial. This device is best illustrated by the Seventh Circuit in *Dual* where it observed, ". . . that this court has never felt it was bound by a determination of nonobviousness at the trial court level resulting in validity. . .". This Court should take this case and instruct the court below that it should feel bound by jury determinations on the obviousness fact issue like any other finding of fact by a jury.

CONCLUSION

Consistent with the statements of the Chief Justice of this Court, as spokesman for the federal court system, significant judicial economies can be realized by a prompt and definitive statement by this Court on the relevancy of secondary considerations to resolution of the obviousness issue in patent cases. In virtually every patent case, questions are raised repeatedly during discovery, trial and review pertaining to ill-defined, so-called secondary considerations. If evidence of secondary considerations is, in fact, relevant, just how this evidence is to be applied in resolving the obviousness question must be defined once and for all. If the evidence is simply not relevant, the distinction between primary evidence and secondary evidence must be sharply drawn by this Court. The result of a definitive statement by this Court on secondary considerations will unquestionably facilitate the administration of justice in patent litigation.

For the foregoing reasons, a writ of certiorari should issue to review the judgment and opinion of the Seventh Circuit.

Respectfully submitted,

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APPENDIX

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OPINION AND ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT (JANUARY 15, 1981) A1

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UNITED STATES COURT OF APPEALS

For the Seventh Circuit

Chicago, Illinois 60604

(Argued December 4, 1980)

January 15, 1981

Before

Hon. WALTER J. CUMMINGS, *Circuit Judge*
Hon. HARLINGTON WOOD, JR., *Circuit Judge*
Hon. JOHN R. BARTELS, *Senior District Judge**

Nos. 80-1368 and 80-1444

THE CELOTEX CORPORATION,
Plaintiff-Appellant, Cross-Appellee,

vs.

UNITED STATES GYPSUM COMPANY,
Defendant-Appellee, Cross-Appellant.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.
No. 75-C-3250
JOHN F. GRADY, *Judge*.

ORDER

This appeal involves a claim of patent infringement by the Celotex Corporation (Celotex) against the United States Gypsum Company (U.S. Gypsum). Celotex is the

* The Honorable John R. Bartels, Senior District Judge of the Eastern District of New York, is sitting by designation.

owner of U.S. Patent No. 3,545,154 to James Bobzin and Charles Sawyer entitled, "Surface Panel Assembly With Rigid Strips to Conceal Fasteners." U.S. Gypsum counterclaimed that the Bobzin patent was invalid and not infringed. The trial was bifurcated and the issue of validity tried to a jury which found the subject matter non-obvious. The trial court judge, however, granted U.S. Gypsum's motion for judgment notwithstanding the verdict and adjudged the patent invalid because "the subject matter was obvious to a person of ordinary skill in the art to which the subject matter pertained at the time the invention was made."

Celotex appeals the determination of the trial court alleging error in the application and analysis of the requisite legal standards.[1] A review of the law and the record indicates that the action taken by Judge Grady was both legally sound and factually appropriate.

I.

The Bobzin patent concerns ceiling surface paneling for mobile homes. The installation of large sheets of relatively thin material presents the problem of firmly affixing the panels while attractively disguising the fasteners. The Bobzin solution is to cut shallow grooves at intervals equal to the position of supporting frame members. Fasteners (staples or nails) are used to attach the panel to the supports along the grooves. The grooves are then covered by a "spline," a rigid strip inserted into the groove. The apparent novelty is in raising the center surface of the strip so that in sliding through the groove it will not be obstructed by an improperly placed staple or nail head.

The claim in Bobzin's initial application of November 19, 1968, did not specify the raised surface or improperly

[1] U.S. Gypsum also appeals on the issues of infringement and damages, but since the judgment appealed from on the question of obviousness is affirmed, there is no need to deal with these issues.

attached fasteners, but concentrated on the panel-subdividing groove and rigid strips. The claims were rejected as obvious in light of two patents that comprise most of the significant prior art, Nuorivaara and Warner. Nuorivaara shows grooves at the edges of the panels with strips covering the fasteners. Warner shows a mid-panel groove. The patent examiner concluded that "[t]o provide Nuorivaara with a decorative panel subdividing groove, as in Warner at 13, would be obvious."

The claims were amended in March of 1970 to specify that some of the fasteners extend substantially above the bottom of the groove and the raised strip is higher than these fasteners. It distinguished Nuorivaara's flat or rippled strip as not accomplishing the function of covering all fasteners. The examiner in April issued a "final" order rejecting the new claims saying, "While Nuorivaara shows his nails driven flush with the bottom of the groove, and does not advert to the possibility that they may not be, his species of Fig. 3 inherently provides a space under the peaks of the corrugations of strip for accommodating such irregularities. To fail to drive nails flush would be obvious, if desired."

Bobzin again amended the claim. The differences from the previous amendment are minute. Specified are *improperly* driven fasteners which extend beyond the plane of the bottom wall of the groove and a raised portion of the strip that *completely conceals* the fasteners. This application was allowed on June 19, 1970.

II.

Initially we note that obviousness is a question of law to be determined by the court. *Pederson* v. *Stewart-Warner Corp.*, 536 F.2d 1179, 1180 (7th Cir. 1976). The legal determination is normally based on facts as found by the jury, but where the evidence is such that it overwhelmingly supports only one conclusion even when viewed in the light most favorable to the opposing party, a jury verdict is properly set aside. The district court is

correct in granting a motion for judgment n.o.v. where the evidence is so deficient that reasonable men could not differ. *Hannigan* v. *Sears, Roebuck & Co.*, 410 F.2d 285, 287 (7th Cir. 1969).

A patent is presumed valid. 35 U.S.C. § 282 (1954). The presumption, however, is not conclusive but merely shifts the burden of proof to the party attacking the patent's validity. It may be overcome by clear and cogent evidence that the statutory requirements of Chapter 10, Title 35, 35 U.S.C. § 100 *et seq.*, are lacking. *Republic Industries, Inc.* v. *Schlage Lock Co.*, 592 F.2d 963 (7th Cir. 1979); *Ortman* v. *Maass*, 391 F.2d 677 (7th Cir. 1968). Furthermore, the presumption is weakened where any pertinent prior art was not considered by the patent office during its examination.[2] 592 F.2d 963, 972.

Section 103 states that a patent may not be granted where "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. § 103. The pertinent considerations for determining obviousness are set forth in *Graham* v. *John Deere Co.*, 383 U.S. 1 (1965):

> Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved.

Id. at 17.

It is important to make clear at the outset exactly what invention is being examined. "It is well settled that

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[2] Appellate identifies additional patents not considered by the patent examiner which may be relevant as prior art. However, since those mentioned in the examiner's report are sufficient to demonstrate the obviousness of the patent, the discussion will include only these.

an invention is construed not only in light of the claims, but also with reference to the file wrapper or prosecution history in the Patent Office. Claims as allowed must be read and interpreted in reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent." 383 U.S. at 33 (citations omitted). In light of these teachings, the invention at issue is a raised "spline" capable of covering improperly driven panel fasteners. It is not, as implied by appellant, the entire concept of utilizing grooves to place fasteners and "splines" for decorative cover.

Appellants stress that the Bobzin patent was used to replace the ceiling panel convention of battens (cover strips for seams) and rosettes (flowerlike buttons used to cover individual midpanel fasteners). The implication is that this should be considered as the "prior art" to be compared with the subject matter of the patent. But it is clear from the Nuorivaara and Warner patents that the art had advanced beyond that point. That it had not been applied to the exact use Bobzin had in mind does not negate the value of prior art.

The batten and rosette assembly was merely evidence of a long felt but unsolved need of the industry. As such, it is a secondary consideration to be weighed only in a close case where consideration of the *John Deere* criteria does not resolve the question of obviousness. *Lee Blacksmith, Inc.* v. *Lindsay Brothers, Inc.*, 605 F.2d 341, 345 (7th Cir. 1979); *Republic Industries, Inc.* v. *Schlage Lock Co.*, 592 F.2d 963, 975-76. Evidence of other secondary considerations such as commercial success and economic benefit was also allowed. It is apparent that the jury gave this evidence undue weight in its consideration. Stripped of evidence tending to show these secondary elements, little remains for the jury to base its conclusion of non-obviousness.

The Nuorivaara patents shows an assembly of boards with a groove for fasteners covered by a "spline." All other issues of obviousness having already been resolved against Bobzin by the patent examiner, the question becomes whether it is obvious to raise the center portion of the Nuorivaara design to cover nails or staples that are not flush with the bottom of the groove. Considering the language of the examiner in his April letter, it is difficult to understand the basis upon which the patent was granted, unless it is the use of staples rather than nails, requiring a different configuration of the spline to pass over the raised portion of a partially attached staple. But since the space allowance for improperly driven nails has already been deemed obvious, it can hardly be termed "invention" to substitute staples for nails. To be patentable, the improvement must go a substantial step beyond the prior art. *Deep Welding, Inc.* v. *Sciaky Brothers, Inc.*, 417 F.2d 1227 (7th Cir. 1969). Bobzin's configuration may have been used in a ceiling panel substantially different from previously used ceiling panels, but that is not the relevant question; it is only the difference between the Bobzin patent and Nuorivaara and Warner to be considered.

This evidence led to the trial judge's decision that as a matter of law the raising of the center of the spline was obvious in light of the Nuorivaara patent. Judge Grady did not specify the three *John Deere* criteria, but essentially followed them in identifying the pertinent prior art and comparing it with the subject matter of this patent. Appellant argues that there was no clear identification of the ordinary level of skill in the art, the third *John Deere* criterion. However, *Graham* v. *John Deere Co.* does not require that in every case the level of skill must be resolved. *Lee Blacksmith, Inc.* v. *Lindsay Brothers, Inc.*, 605 F.2d 341 (7th Cir. 1979). Explaining the correct rule as formulated in *Research Corp.* v. *Nasco Industries, Inc.*, 501 F.2d 1358 (7th Cir. 1974), the court in *Blacksmith* said:

> The gist of our holding in that case is that if the differences between the patent in suit and the prior

> art are such that the subject matter as a whole is obvious to a layman, a determination of the level of skill on the basis of expert testimony in the pertinent art would be useless. What is obvious to a layman would certainly be obvious to one skilled in the art to which the subject matter pertains.

605 F.2d at 344. Judge Grady was not required to identify the level of skill where, as in our case, the subject matter was readily understandable without the need of technical expertise.

The appellee's motion for judgment notwithstanding the verdict was properly granted. The judgment of the district court is AFFIRMED.

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THE CELOTEX CORPORATION,

Plaintiff.

vs.

UNITED STATES GYPSUM COMPANY,

Defendant.

No. 75 C 3250

TRANSCRIPT OF PROCEEDINGS

had at the hearing of the above-entitled cause before The Honorable JOHN F. GRADY. one of the Judges of said Court. in his Courtroom in the United States Courthouse, Chicago, Illinois, commencing on Tuesday, December 4, 1979, at the hour of 3:30 p.m.

PRESENT:

LINDGREN & ZICKERT
(79 West Monroe St., Room 800,
Chicago, Illinois 60603) by
MR. ROBERT L. LINDGREN and
MR. JOSEPH A. YANNY
on behalf of the plaintiff;

McWILLIAMS, MANN & ZUMMER
(53 West Jackson Blvd., Suite 1215,
Chicago, Illinois 60604) by
MR. THOMAS F. McWILLIAMS,
MR. DENNIS M. McWILLIAMS and
MR. EDWARD CHALFIE
on behalf of the defendants.

The Court: You need not reply, Mr. Lindgren, to the motion insofar as it addresses infringement and damages. I will deal with that first since it is the simpler of the two parts of the motion.

I believe that infringement and damages were both proper jury questions, and the evidence is sufficient to support the verdict. The jury could have found, and reasonably so, on the evidence that literally all of the panels sold by the defendant were installed with improperly driven fasteners. The evidence as to the assembly methods, the unwieldly character of the staplers used, the speed with which workmen in this trade characteristically perform their duties; all of these circumstances could have been found by the jury, in my opinion, to justify the conclusion that there would literally be a hundred percent installation with at least one staple being driven in the manner that it was not flush with the bottom of the groove.

Since that is true, the jury could have found that every single panel sold by the defendant did infringe and, therefore, that the plaintiff was entitled to damages for every single panel. Accordingly, to the extent that the defendant asks for judgment notwithstanding the verdict on the questions of infringement and damages, that motion is denied.

I will now address myself to the motion insofar as it seeks judgment notwithstanding the verdict on the issue of validity, which issue in turn is the issue of whether or not the invention was obvious.

Next month I will have been on the bench four years. I have never set aside a jury verdict in that period of time. During that period of time, there have been a number of jury verdicts with which I have disagreed. Never once, however, have I even been tempted to set aside such a verdict because, as we all know, the question is not whether I agree with the verdict but whether or not there was any evidence to support it or whether the evidence to support it was sufficient. This is the first case I have had in which I feel my duty compels me to set aside the verdict and enter judgment notwithstanding the verdict. And I realize that the test as to whether I should do that really calls into question whether I should have submitted the case to the jury in the first place.

If reasonable persons could find on this evidence that this invention was not obvious, then the fact that other reasonable persons might reach a contrary opinion would not justify setting aside the verdict.

I submitted this case to the jury feeling that the invention was obvious and, also, feeling that in all likelihood the jury would come to the same conclusion. Considering the great deal of time and effort that went into the trial, it seemed to me the sensible thing to do particularly in view of the fact that there would be an appeal in any event; and I still feel that in submitting the case to the jury I did the proper thing. Now, the only question before the Court of Appeals will be whether to affirm or reverse the ruling I make today. And in the event the Court of Appeals reverses that ruling, we will not have to try the case a second time.

I give you that explanation because I think a Court which submits a case to a jury and then sets aside the verdict reached by the jury owes the parties an explanation for what he does. If the case was good enough to submit to the jury in the first place, then, ordinarily, the jury verdict should stand. But I am saying now that I have concluded that this case should not have been submitted to the jury, and that was my feeling at the time.

I will deal with the two aspects of the invention in order. And I realize that the claims talk about more than two things, but I think that the novel elements come down to two: First, the field groove, and, secondly, the strip or spline designed in such a way as to slide over the protruding fasteners, or perhaps I should say to cover the protruding fasteners.

In regard to the field grooves, my conclusion is that this is the obvious way to fasten a wide panel to the rafters of the trailer. The problem perhaps could have been solved in some other way that does not occur to me, but seems obvious that if you have a panel too wide to be fastened to the rafters solely by the means of fasteners installed in the edge grooves, you make another groove

at intermediate points corresponding to the location of the rafters.

Now, the plaintiff does not claim to have invented the idea of using a wide panel, and I do not believe that that notion would have been patentable or that thing or device would have been patentable. So the desirability of increasing the size of the panels is not something that the plaintiff claims first occurred to him. The problem was how to install the larger panel in a way that would be aesthetic, and the field groove appears to me to be obvious. There was testimony by Professor Mikolajcyk to that effect. There was no testimony to the contrary. The plaintiff relied upon the absence of such a development in the prior art.

The deficiencies of Professor Mikolajczyk in terms of his experience and the fact that other people were not installing field grooves are, in my view, secondary considerations which cannot furnish non-obviousness where non-obviousness does not otherwise exist. The plaintiff argues today that no one believed this could be done, that by putting a groove in the field you would unduly weaken the board and render it unusable. I believe the evidence in the record is insufficient to establish that proposition. I think plaintiff speculates that other people considered this and rejected the possibility because they felt it would not be feasible. There is no hard evidence to justify that inference.

Turning to the second element of the invention, the indentation in the strip to accommodate the misdriven fasteners; it appears to me that this is an obvious solution to the problem confronted by Mr. Bobzin. Now, I think that part of the reason I differ in my analysis of this question from the analysis presented by the plaintiff is that I disagree as to what the components of the problem were. There was nothing new about grooves. Mr. Bobzin did not invent grooves. There was nothing new about misdriven fasteners. Mr. Bobzin did not invent those. There was nothing new about strips to cover fasteners. Mr. Bobzin did not invent those.

There was reference during the trial to a jigsaw puzzle, and plaintiff argued that the students in Professor Mikolajczyk's class were given all but the final piece of the puzzle. It seems to me that the same three pieces were in place when Mr. Bobzin addressed himself to the problem; the three pieces being; number one, a groove; number two, staples which protruded above the bottom portion of the groove; and, three, a strip which was considered appropriate for insertion into the groove in a manner that would not collide with the staples. Now, if that was not the problem facing Mr. Bobzin as shown by the evidence in this case, I have simply misunderstood the evidence.

One form of panel construction for mobile home ceilings happened to be the batten and rosette construction, and plaintiff would have me believe that that was the problem. All the batten and rosette construction was in my view, is one method of attaching a ceiling in a mobile home. It did not define the problem.

Now, putting an indentation in the strip so that it would go over the fasteners seems to me an obvious thing to do. And when I say that, I have said a great deal, because if it is obvious to me, I cannot conceive that it would not have been obvious to a person skilled in this art.

As Mr. Lindgren points out, the Court should pay deference to the opinions of experts and to the opinions of lay jurors who brought their intelligence to bear upon this matter and should not substitute its judgment for the opinions of those experts and jurors who have spoken unless there is a good reason for doing so. In my case I feel that if it would have been obvious to me sitting in that workshop, and I truly believe it would have been, then it would have been obvious to anybody let alone a person skilled in this art.

I believe that the plaintiff won its case by a very skillful presentation of secondary evidence which misled the

jury as to the real issue in the case. The defendant objected to the volume of that evidence and to the emphasis upon that evidence to the almost total exclusion of any kind of real analysis of the obviousness question, and I overruled those objections I believe that in overruling the objections I acted properly because evidence of secondary considerations is admissible. It is entitled to weight, and I think the Court can properly assume that the jury will not be misled and will have the intelligence to distinguish between what is obvious and what is not obvious apart from secondary considerations or at least without total reliance upon secondary considerations.

There is not any question here that plaintiff's invention was novel. There is not any question that, while in my view it was strongly suggested by the combination of all prior art and, in fact, was obvious even without regard to the prior art, nobody had developed it or apparently thought of it prior to the plaintiff. And, of course, there is no question at all that the invention was a great commercial success. The size of the verdict indicates considerable sales activity.

I think that what happened here is that the jury confused novelty and obviousness. It confused commercial success with obviousness. I did the best I could to instruct the jury as to the difference. I am not sure that the instructions were as clear as they could have been, but I am satisfied that the jury did not properly apply the law in regard to obviousness.

If this invention is non-obvious, then it seems to me that any new development which is a commercial success is patentable because the evidence of non-obviousness in this case consists entirely, in my view, of evidence of novelty and commercial success.

I make these observations with the full understanding that someone else could come to a different conclusion and may come to a different conclusion. All I can do is do the best to fulfill what I perceive my obligation to be,

and in this specific case, I perceive it to be my obligation to set aside a verdict which cannot be supported on any reasonable view of the evidence. Therefore, the defendant's motion for judgment notwithstanding the verdict on the question of validity is allowed, and judgment is entered for the defendant and against the plaintiff.

Is there anything else I should rule on?

Mr. McWilliams: Thank you very much, Judge.

There is before your Honor a counterclaim on behalf of defendant. For purposes of clarifying the record, I would suggest that an appropriate judgment be prepared referring to the counterclaim and referring to the stipulation of counsel, that if any of the claims go, they all go. And that is particularly important in view of the Blonder-Tongue Decision so that others will know what has been the fate of this patent.

The Court: Well, I will leave it to you to prepare the appropriate —

Mr. Lindgren: Your Honor, I would want to object to that. The stipulation was not as we just had it characterized. The stipulation was we would agree to the invalidity of the claims if the claims were ultimately upheld, if the invalidity of the claims is ultimately upheld on appeal, not at this stage of the game, your Honor. Those claims have never been in issue in this case and are still not in issue.

The Court: Well, I understood the stipulation to apply to the ultimate disposition of the case, if it be in the Supreme Court of the United States.

Mr. McWilliams: A judgment should be entered from which an appeal can be taken.

The Court: Yes. The judgment should be pursuant to the stipulation. But then, of course, my judgment is subject to change on review.

Mr. Lindgren: Just so we understand it, the judgment is based on the claims that were in issue on Claims 1 and 3. The stipulation is that all of the claims will be invalid if they are ultimately — if Claims 1 and 3 are ultimately held invalid in a Court of last resort. That is what we had agreed to before this trial.

Mr. McWilliams: I do not know how we come back later on and enter another judgment from which —

The Court: I do not either.

Mr. McWilliams: No. I think the judgment ought to be entered now.

The Court: I think the thing to do is to enter the judgment now. Recite in the judgment that it is pursuant to the stipulation that if these claims are ultimately held invalid, then all claims are invalid. But it is understood that if the reviewing Court holds the patent valid, then — well, it works the other way, too — then all claims are valid.

Mr. McWilliams: Sure. I think I can prepare an appropriate order within a matter — maybe tomorrow morning.

The Court: If you think of anything else that ought to be included in my findings of fact that I left out, you may propose its inclusion. I do not believe it is necessary to recite these long, very complicated factual conclusions that the parties prepare and the Judge signs in a Pro Forma way. I think it is much more helpful to the Court of Appeals to have the recitation of the trial Court as to how the trial Court looked at the case. But, on the other hand, I do not want to leave anything out either.

Mr. McWilliams: About the only other thing I could suggest would be that for more than a year prior to trial, plaintiff knew the defendant would rely upon experts in the construction field architects. We had two of them designated. They took the deposition of one. From that time until the time of trial, plaintiff did nothing with respect to getting any expert, any independent expert, in the architectural field to come in and say, "It is not an obvious thing," or, "It is not obvious to put something in the field of the board," just totally devoid of that, just staying away from it altogether. But the record will so show.

The Court: The record will show, and I want to make it clear that I did not base my decision here today on a weighing of the credibility of the witnesses or the

absence of witnesses or anything of that kind. I based my decision on a simple common sense approach as to what the problem was back at the time Mr. Bobzin made his invention. And it is my belief that simply taking the elements that were before him and using common sense, you would come to these solutions.

Then when you add the prior art on top of your common sense, it becomes doubly obvious. That was the basis of my decision, and it is not on the basis that I believe Professor Mikolajczyk or that I disbelieve Mr. Bobzin or anything of that kind. That was for the jury to say.

Mr. McWilliams: Thank you very much, Judge.

Mr. Lindgren: Well, your Honor, I am not quite sure what Mr. McWiliams' last comment was all about, but are we going to be given an opportunity to comment upon his—defendant's offer to the Court of findings of fact?

The Court: Oh, yes. What I would like you to do is to prepare a judgment order in which you can refer to the findings of fact which I have just made, and the way this is done generally in cases in my Court is that you simply attach a copy of the transcript to the judgment order. And I will want an opportunity to look at it and correct any grammatical errors or anything of that kind before it is made a part of the judgment order; but, yes.

Mr. McWilliams: I will prepare—

The Court: I want the parties to agree as to the form of the order. I understand you will not agree as to the substance of it, but there should be no disagreement as to the form. Just do that at your convenience within the next week or so.

Mr. Lindgren: That will be done first by defendant?

The Court: Right. Mr. McWilliams will prepare it and submit it to you, and if you agree to it as to form, you can so signify. If you disagree as to form, come on in, and we will thrash it out.

Mr. Lindgren: How do you want to handle post-trial motions such as those involving—

Since this case is going on appeal, there has been a finding of willful infringement here, and that would entitle or could entitle the plaintiff to an award of increased damages. There is, also, the question of attorney's fees, costs, and things of this nature.

The Court: My suggestion would be this—provided we can do it this way—is simply to enter those motions and continue them pending the resolution of the appeal. It seems to me premature to address ourselves to those issues now.

Mr. Lindgren: Would it be appropriate just to file a motion without an extended lengthy brief?

The Court: You do not even have to file anything in writing as far as I am concerned. You may want to, but I understand that you are asking for—

Mr. Lindgren: An award of increased damages.

The Court: (Continuing)—increased damages and attorney's fees.

Mr. Lindgren: Yes, award of costs.

The Court: And costs.

Mr. Lindgren: Oh, and injunction. We will wait on that, too.

The Court: Right.

Mr. McWilliams: In the order judgment I assume that the usual practice will be followed that defendant shall recover its costs, the taxable costs.

Mr. Lindgren: Why?

Mr. McWilliams: We won.

Mr. Lindgren: Well, that is a debatable question.

The Court: You can put that in there, but, of course, that will be stayed pending the appeal.

Mr. McWilliams: Sure.

Mr. Lindgren: I mean, there has been a judgment here of infringement and a million dollars in damages awarded, and I am not quite sure that that is a victory.

Mr. McWilliams: What is that old saw—you cannot infringe an invalid patent.

The Court: I would say that if the judgment notwithstanding the verdict is affirmed that the defendant would

have won the case. So I think you can simply include in the judgment order "and costs," and then we will worry about what those are in the event the judgment is affirmed.

Mr. Lindgren: Okay.

The Court: All right.

Mr. McWilliams: Thank you very much, your Honor, for all your patience in this trial. It has been very good.

The Court: Thank you.

Mr. Lindgren: Thank you.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THE CELOTEX CORPORATION,

Plaintiff,

vs.

UNITED STATES GYPSUM COMPANY,

Defendant.

Civil Action No. 75 C 3250

AMENDED JUDGMENT AND ORDER

The Complaint in this case charges defendant with infringement of Bobzin patent No. 3,545,154 by the manufacture and sale of defendant's MODULUX ceiling panel assemblies. Defendant has filed a counterclaim herein for declaratory judgment asking the Court to declare all claims of the Bobzin patent No. 3,545,154 invalid and not infringed by defendant.

This case proceeded to trial before a jury, and plaintiff elected to proceed in this trial only with respect to claims 1 and 3 of the Bobzin patent No. 3,545, 154. However, by stipulation, plaintiff agreed that if claims 1 and 3 were finally determined to be invalid, then the rest of the claims would be subject to the same determination.

The trial was bifurcated and the issues of validity of claims 1 and 3 of the patent were tried first, and, immediately thereafter, before the same jury, the issues of infringement and damages were tried. The jury returned verdicts that the subject matter of claims 1 and 3 of the Bobzin patent No. 3,545,154 was not obvious. The jury returned verdicts that claims 1 and 3 of the patent had been directly infringed by manufacturers of mobile homes, that defendant Gypsum was guilty of contributory infringement and inducing infringement of these claims, and that such infringement was willful, and assessed damages against defendant in the amount of $1,117,938.00.

Plaintiff and defendant filed timely motions for directed verdicts prior to the presentation of these issues to the jury and defendant filed timely motions for judgment notwithstanding the verdicts of the jury. A hearing was held on December 4, 1979, at which plaintiff presented arguments in opposition to defendant's motion of judgment notwithstanding the verdict as to validity and defendant presented arguments in support of its motions for judgment notwithstanding the verdicts as to infringement and damages.

By an opinion rendered orally by this Court on December 4, 1979, a copy of the transcript of which is attached hereon, the Court determined that:

a) defendant's motion for judgment notwithstanding the verdict with respect to the issues of infringement of claims 1 and 3 and damages were denied.

b) defendant's motion for judgment notwithstanding the verdict with respect to the issue of validity of claims 1 and 3 was granted.

By virute of this Court's opinion, defendant's counterclaim and the stipulation by plaintiff's counsel, it is hereby ordered, adjudged and decreed:

1) That claims 1 and 3 of the Bobzin patent No. 3,545,154 are invalid because the subject matter thereof would have been obvious to a person of ordinary skill in the art to which the subject matter pertained at the time the invention was made;

2) That claims 2 and 4 through 7 of the Bobzin patent No. 3,545,154, by stipulation, are invalid, but if this judgment as to the validity of claims 1 and 3 is reversed on appeal, then claims 2 and 4 through 7 are valid.

3) That if claims 1 and 3 are valid they have been directly infringed by manufacturers of mobile homes;

4) That if claims 1 and 3 are valid they have been contributorily infringed by defendant;

5) That if claims 1 and 3 are valid, defendant has induced infringement thereof;

6) That if claims 1 and 3 are valid, defendant has been guilty of willful infringement;

7) That if claims 1 and 3 are valid, damages in the amount of $1,117,938.00 *plus interest from the date hereof* are assessed against defendant and in favor of plaintiff;

8) Plaintiff's complaint is dismissed with prejudice;

9) Pursuant to Rule 54(d) of the Federal Rules of Civil Procedure, defendant, as the prevailing party, shall be allowed its taxable costs. If an appeal is taken, costs shall not be taxed until such appeal is finally determined.

Plaintiff has filed a motion pursuant to Title 35 USC 284 requesting the Court to increase the damages in the event that the Bobzin patent No. 3,545,154 ultimately is held valid.

Both defendant and plaintiff have requested, pursuant to Title 35 USC 285, the award of reasonable attorneys' fees in his case. These motions are not determined at this time subject to consideration upon the results of any appeals in this case.

/s/ John F. Grady
United States District Judge

Dated: Dec. 27, 1979

UNITED STATES COURT OF APPEALS

For the Seventh Circuit

Chicago, Illinois 60604

February 17, 1981

Before

Hon. WALTER J. CUMMINGS, *Circuit Judge*
Hon. HARLINGTON WOOD, JR., *Circuit Judge*
Hon. JOHN R. BARTELS, *Senior District Judge**

Nos. 80-1368 and 80-1444

THE CELOTEX CORPORATION,

Plaintiff-Appellant,
Cross-Appellee,

vs.

UNITED STATES GYPSUM COMPANY,

Defendant-Appellee,
Cross-Appellant.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.
No. 75-C-3250
JOHN F. GRADY, *Judge.*

ORDER

On consideration of the petition for rehearing and suggestion for rehearing *in banc* filed in the above-entitled cause by plaintiff-appellant, The Celotex Corporation, no judge in active service has requested a vote thereon, and all of the judges on the original panel have voted to deny a rehearing. Accordingly,

IT IS ORDERED that the aforesaid petition for rehearing be, and the same is hereby, DENIED.

* The Honorable John R. Bartels, Senior District Judge of the Eastern District of New York, is sitting by designation.